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**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE:

JBM SPECIALTIES, LLC,
46-3727946
319 Triangle Road
Valley View, TX 76272

Case No.: **23-40497-BTR-11**

Chapter: **11**

Debtor.

NOTICE OF EXCLUDED ASSETS

A complete list of the *Excluded Assets* (as defined in the Asset Purchase Agreement, dated October 6, 2023) is attached hereto.

Respectfully submitted,

Dated: **October 16, 2023**

/s/ Robert T. DeMarco
DeMarco•Mitchell, PLLC
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Email robert@demarcomitchell.com
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Counsel for Debtor and Debtor in Possession

EXCLUDED ASSETS

(b) Excluded Assets. Notwithstanding anything to the contrary contained herein, the following assets, properties, and rights of Seller (collectively the “Excluded Assets”) shall not be included the Assets and shall not be purchased and sold under this Agreement:

- (i) all cash and cash equivalents of Seller as of the Closing Date;
- (ii) all Permits of Seller that, under applicable law, cannot be assigned or transferred to Buyer;
- (iii) all bottled finished product that, under applicable law, cannot be transferred to Buyer, as set forth under subsection (iii) of Schedule 1.1(b);
- (iv) Seller’s rights under the lease establishing the Valley View Leasehold;
- (v) the still located at the premises subject to the Valley View Leasehold (#121401);
- (vi) distilled spirits located at the Owned Real Property or at the premises subject to the Valley View Leasehold that are identified as Les Beasley’s property, as set forth on subsection (vi) of Schedule 1.1(b);
- (vii) the trademarks “Frosted Star Vodka” and “Bartenders Well Vodka” and any Certification/Exemption of Label/Bottle Approval obtained from TTB with respect to such names, as set forth on subsection (vii) of Schedule 1.1(b);
- (viii) all Contracts under which Seller has executory obligations that are not specifically assumed by Buyer in writing;
- (ix) all originals of Seller’s formation and governance documents, manager or member consents, minutes of meeting of managers and members, tax and financial records and such other books and records as pertain to the organization, existence, governance or capitalization of Seller, and any files, books and records relating to relating to any Excluded Asset (provided that copies of the foregoing shall be delivered by Seller to Buyer at the Closing); and
- (x) any asset, property, right, or claim that Buyer may designate as an Excluded Asset in a written notice delivered to Seller prior to or at the Closing, to the extent agreed upon by Seller.

SCHEDULE 1.1(b)

(Excluded Assets)

(iii)

JBM Specialties Filled Bottle Inventory					
Valley View Distillery			Muenster Distillery		
Product	Count	TTB Proof Gal	Product	Count	TTB Proof Gal
151 MOONSHINE	1	0.3	151 MOONSHINE		0.00
Pickle Moonshine	267	21.16	Pickle Moonshine		0.00
Lemonade Moonshine	0		Lemonade Moonshine	714	56.59
FROSTED STAR VODKA	14	2.22	FROSTED STAR VODKA	8022	1271.51
GOLDEN RUM	101	16.01	GOLDEN RUM		
HOT SHOTS	3	0.48	HOT SHOTS		
SILVER RUM	8	1.27	SILVER RUM		
TEXAS GOLD BOURBON-110	70	15.26	TEXAS GOLD BOURBON-110	366	79.77
TEXAS GOLD BOURBON-80	5	0.79	TEXAS GOLD BOURBON-80		
BARTENDER'S WELL	171	27.1	BARTENDER'S WELL	2166	343.32
BW Lemon	10	0.79	BW Lemon	192	15.22
Mini - Blue Label	125	1.49	Mini - Blue Label	552	6.56
Mini - Black Label	231	2.44	Mini - Black Label	156	1.65
Mini-Pickle	121	0.64	Mini-Pickle	140	0.74
Mini-Lemonade	20	0.11	Mini-Lemonade	449	2.37
Mini - 151 Moon	54	1.08	Mini - 151 Moon	140	2.79

SCHEDULE 1.1(b)

(Excluded Assets)

(vi)

New Mill Lot	Fill Date	Barrel #	Batch #	Lot #	Batch Type	Size	Gallons	Proof	Proof Gallons	Invid
212	6/9/2016	Family W01	20200827 -ABB-STB-001	18C05	Aged Bourbon Barreled	53.0 0 gal	60	115	59.8	98
202	6/9/2016	Family W02	20200818 -ABB-STB-001	18C05 A	Aged Bourbon Barreled	53.0 0 gal	60	115	59.8	60
203	6/9/2016	Family W05	20200818 -ABB-STB-002	18C05 C	Aged Bourbon Barreled	53.0 0 gal	60	115	59.8	65
204	6/9/2016	Family W06	20200818 -ABB-STB-003	18C05 D	Aged Bourbon Barreled	53.0 0 gal	60	115	59.8	53
205	6/9/2016	Family W07	20200818 -ABB-STB-004	18C05 E	Aged Bourbon Barreled	53.0 0 gal	60	115	59.8	52
207	6/9/2016	Family Wood 10	20200818 -ABB-STB-005	19B02 A	Aged Bourbon Barreled	53.0 0 gal	62	122. 99	62.23	101
206	6/9/2016	Family Wood 11	20200818 -ABB-STB-006	18C05 G	Aged Bourbon Barreled	53.0 0 gal	60	115	59.8	51

(vii)

1. Trademark “Frosted Star Vodka” registered with the USPTO on May 14, 2019 (Serial Number 88025281).
2. Trademark “Bartenders Well” registered with the USPTO on May 18, 2021 (Serial Number 90172783).
3. TTB COLAs (Certificate of Label Approval) for the following:
 - a. Vodka Bartenders Well (Serial Number 20V001), approved August 23, 2020.
 - b. Frosted Star Vodka (Serial Number 180111), approved February 20, 2019.

**PALS WH HOLDINGS, LLC
109 W 7TH STREET
GEORGETOWN, TEXAS 78626**

October 9, 2023

VIA EMAIL

JBM Specialties, LLC
319 Triangle Road
Valley View, Texas 76272
Attention: Les Beasley
lesbeas2@gmail.com

DeMarco Mitchell, PLLC
1255 W 15th Street #805
Plano, Texas 75075
Attention: Robert DeMarco
robert@demarcomitchell.com

cc: David Kersten
Matt Bair
Scott Rose

Re: Asset Purchase Agreement, dated as of October 6, 2023, by and between PALS WH Holdings, LLC, and JBM Specialties, LLC (the “*APA*”).

Ladies and Gentlemen:

This letter serves as a notice pursuant to Section 1.1(b)(x) of the APA. All capitalized terms not defined herein shall have the meanings ascribed to such term in the APA.

The following items shall be Excluded Assets: all claims or causes of action arising from or related to the management or operation of the Business by any Person, including the equity holders of Seller, prior to the Closing.

Sincerely,

Kevin Lange
President
PALS WH Holdings, LLC